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Monday  
April 27, 1998

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**Part LVIII**

## **Federal Trade Commission**

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**Semiannual Regulatory Agenda**

## FEDERAL TRADE COMMISSION (FTC)

## FEDERAL TRADE COMMISSION

## 16 CFR Ch. I

## Semiannual Regulatory Agenda

AGENCY: Federal Trade Commission.

ACTION: Semiannual regulatory agenda.

**SUMMARY:** The following agenda of Commission proceedings is published in accordance with section 22(d)(1) of the Federal Trade Commission Act, 15 U.S.C. 57b-3(d)(1), and the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, title II of Public Law 104-121, 110 Stat. 847. The Commission's agenda observes guidelines and procedures issued January 7, 1998, by the Office of Management and Budget in accordance with the provisions of President Clinton's Executive Order No. 12866 "Regulatory Planning and Review" of September 30, 1993 (58 FR 51735; October 4, 1993).

The Commission is currently conducting a Regulatory Flexibility Act

section 610 review of the rules and regulations under the Hobby Protection Act. It is also conducting a review of the 900-Number Rule required by the rule itself. Most of the other reviews listed on the following agenda are being conducted as part of the Commission's 10-year plan, begun in 1992, to review and seek information about all of its regulations and guides, including their costs and benefits, and regulatory and economic impact, every 10 years. These reviews incorporate and expand upon the review required by the Regulatory Flexibility Act. The Commission's 10-year program is also consistent with the President's March 4, 1995, Regulatory Reform Initiative, directing agencies to conduct a review of all regulations and eliminate or revise those that are outdated or otherwise in need of reform.

Except for notice of completed actions, the information in this agenda represents the judgment of Commission staff based upon information now available. Each projected date of action reflects an assessment by the FTC staff of the likelihood that the specified event

will occur during the coming year. No final determination by the staff or the Commission respecting the need for or the substance of a trade regulation rule or any other procedural option should be inferred from the notation of projected events in this agenda. In most instances, the dates of future events are listed by month, not by a specific day. The acquisition of new information, changes of circumstances, or changes in the law may alter this information.

**FOR FURTHER INFORMATION CONTACT:** For information about specific regulatory actions listed in the agenda, contact the contact person listed for each particular proceeding. Comments or inquiries of a general nature about the agenda should be directed to Elaine W. Crockett, Staff Attorney, Federal Trade Commission, 6th Street and Pennsylvania Avenue NW., Washington, DC 20580; telephone (202) 326-2453; e-mail: ECrockett@FTC.gov.

By direction of the Commission.

**Donald S. Clark,**  
Secretary.

## Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4295	Premerger Notification Rules and Report Form .....	3084-AA23
4296	Regulations Under the Comprehensive Smokeless Tobacco Health Education Act of 1986 .....	3084-AA48
4297	The Care Labeling Rule .....	3084-AA54
4298	Trade Regulation Rule Concerning the Labeling and Advertising of Home Insulation .....	3084-AA60
4299	Trade Regulation Rule on Franchising and Business Opportunity Ventures .....	3084-AA63
4300	Rule Governing Disclosure of Written Consumer Product Warranty Terms and Conditions .....	3084-AA72
4301	Rule Governing the Pre-Sale Availability of Written Warranty Terms .....	3084-AA73
4302	Rule Governing Informal Dispute Settlement Procedures .....	3084-AA75
4303	Trade Regulation Rule Concerning the Use of Negative Option Plans by Sellers in Commerce .....	3084-AA76
4304	Trade Regulation Rule Pursuant to the Telephone Disclosure and Dispute Resolution Act of 1992 .....	3084-AA78
4305	Rules and Regulations Under the Hobby Protection Act ( <b>Section 610 Review</b> ) .....	3084-AA79
4306	Trade Regulation Rule on Ophthalmic Practice Rules .....	3084-AA80
4307	Trade Regulation Rule Concerning Power Output Claims for Amplifiers Utilized in Home Entertainment Products ...	3084-AA81

## Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
4308	Amended Federal Deposit Insurance Corporation Improvement Act .....	3084-AA44
4309	Regulatory Review .....	3084-AA47

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## Completed Actions

Sequence Number	Title	Regulation Identifier Number
4310	Rules and Regulations Under the Wool Products Labeling Act of 1939 .....	3084-AA50
4311	Rules and Regulations Under the Fur Products Labeling Act .....	3084-AA51
4312	Rules and Regulations Under the Textile Fiber Products Identification Act .....	3084-AA52
4313	Deceptive Use of "Leakproof," "Guaranteed Leakproof," Etc., as Descriptive of Dry Cell Batteries .....	3084-AA77

## FEDERAL TRADE COMMISSION (FTC)

## Proposed Rule Stage

**4295. PREMERGER NOTIFICATION RULES AND REPORT FORM****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 18a Clayton Act**CFR Citation:** 16 CFR 801 to 803**Legal Deadline:** None

**Abstract:** The Premerger Notification Rules and the Antitrust Improvements Act Notification and Report Form were adopted pursuant to Section 7A of the Clayton Act. Section 7A requires firms of a certain size contemplating mergers or acquisitions of a specified size to file notification with the Federal Trade Commission (FTC) and the Department of Justice (DOJ) and to wait a designated period before consummating the transaction. It also requires the FTC, with the concurrence of the Assistant Attorney General for Antitrust, to promulgate rules requiring that notification be in a form and contain information necessary to enable the FTC and DOJ to determine whether the proposed acquisition may, if consummated, violate the antitrust laws. These rules are continually reviewed in order to improve the program's effectiveness and reduce the paperwork burden on the business community. The Commission proposed modifications to the Premerger Notification and Report form during fiscal year 1994. In March 1996, the Commission promulgated rules amending the Rule's treatment of acquisitions of goods or realty made in the ordinary course of business and adding new exemptions for acquisitions of realty and carbon-based mineral reserves. In addition, on August 9, 1995, the Commission published a final rule that removed 16 CFR part 800, the transitional rule addressing the treatment of acquisitions consummated

before, and notification filed on or before September 5, 1978.

**Timetable:**

Action	Date	FR Cite
Begin Review	09/30/81	
NPRM - Ordinary Course	09/24/85	50 FR 38742
NPRM - HSR Form Changes	06/14/94	59 FR 30545
NPRM - Ordinary Course	07/28/95	60 FR 38930
Part 800 Repealed	08/09/95	60 FR 40704
Final Rule - Ordinary Course	03/28/96	61 FR 13666
Final Rule Effective - Ordinary Course	04/29/96	
NPRM - HSR - Form Changes	04/00/98	

**Small Entities Affected:** None**Government Levels Affected:** None

**Agency Contact:** Melea Epps, Staff Attorney, Pre-Merger Notification Office, Federal Trade Commission, Bureau of Competition, Washington, DC 20580

Phone: 202 326-2705

Email: mepps@ftc.gov

**RIN:** 3084-AA23**4296. REGULATIONS UNDER THE COMPREHENSIVE SMOKELESS TOBACCO HEALTH EDUCATION ACT OF 1986****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 4401**CFR Citation:** 16 CFR 307**Legal Deadline:** None

**Abstract:** The Comprehensive Smokeless Tobacco Health Education Act of 1986 requires health warnings on all packages and advertising for smokeless tobacco. The Commission published an NPR on February 14, 1995 seeking public comment on whether

the regulations governing the rotation schedule for utilitarian objects should be amended. The comment period expired on April 14, 1995. The Commission amended the smokeless tobacco regulations to permit rotation of the mandated health warnings on utilitarian items and promotional materials based on either the date the item or material is ordered from a supplier or the date it is disseminated to the public, provided the production of such items is carried out in a manner consistent with ordinary business practices. On a separate point, the Coalition on Smoking or Health petitioned the Commission to enforce the Smokeless Tobacco Act by requiring smokeless tobacco health warnings on sponsored racing cars, banners, flags, and other related objects bearing smokeless tobacco product brand names, logos, or selling messages. On October 26, 1993, the Commission issued an NPR and proposed a requirement that sponsored auto racing vehicles and all other event-related objects that bear the brand name or selling message of smokeless tobacco products display health warning labels. Staff is reviewing the impact of the final Food and Drug Administration Rule on tobacco products and the State Attorneys' General omnibus settlement as applicable to event and team sponsorship.

**Timetable:**

Action	Date	FR Cite
NPRM (Promotional Items)	01/15/93	54 FR 4875
NPRM (Racing Cars)	11/04/93	58 FR 58810
Comment Period End (Racing Cars)	02/01/94	
NPRM (Utilitarian Items)	02/14/95	60 FR 8312
Comment Period End (Utilitarian Items)	04/14/95	

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Action	Date	FR Cite
Final Staff Recommendation (Promotional Items)	05/17/96	
Final Staff Recommendations (Utilitarian Items)	05/17/96	
Final Action (Promotional Items)	08/30/96	61 FR 45883
Final Action (Utilitarian Items)	08/30/96	61 FR 45883
Final Staff Recommendation (Racing Cars)	12/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Rosemary Rosso, Division of Advertising Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580

Phone: 202 326-2174

Email: rosso@ftc.gov

**RIN:** 3084-AA48

#### 4297. THE CARE LABELING RULE

**Priority:** Other Significant

**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

**Legal Authority:** 15 USC 41 et seq

**CFR Citation:** 16 CFR 423

**Legal Deadline:** None

**Abstract:** The Care Labeling Rule requires manufacturers and importers of textile wearing apparel to attach cleaning instructions stating what regular care is needed for the ordinary use of the product. If dry cleaning is recommended, the label must state at least one type of solvent that may be used (unless all commercially available types of solvent can be used), and must contain a warning against the use of any part of the normal dry cleaning procedure that would harm the product. The Rule also requires that the manufacturer or importer possess, prior to sale, a reasonable basis for the care instructions. The Rule currently requires that care instructions be stated in "appropriate terms." It also states that "any appropriate symbols may be used on care labels or care instructions, in addition to the required appropriate terms so long as the terms fulfill the requirements of this regulation."

Although the Rule does not specifically state that the instructions must be in English, they usually are. On February 6, 1997, the Commission granted a Conditional Exemption with request for public comments. The Conditional Exemption, which became effective on July 1, 1997, allows the use of the symbol system developed by the American Society for Testing and Materials on care labels. The symbols, which show consumers how to safely launder or clean their clothing, will be permitted on care labels so long as the manufacturers include with the garments a written explanation of what the symbols mean for the first 18 months they are in use. In granting the industry permission to use symbols on care labels instead of written words, the FTC pledged to coordinate a national campaign to help consumers in the transition to symbols by making sure they have easy access to additional descriptive information regarding how to care for their clothing. In addition, the Commission is conducting a substantive review of the Rule's requirements. An ANPR relating to possible substantive changes in connection with methods of cleaning that can or should be listed on the care label, reasonable basis requirements, and definitions of water temperatures was published on December 28, 1995.

#### Timetable:

Action	Date	FR Cite
Begin Reg Review	06/15/94	59 FR 30733
Comment Period End	10/15/94	
Recommendation to Commission	10/17/95	
Request for Comment/Exemption	11/16/95	60 FR 57552
ANPRM	12/28/95	60 FR 67102
Comment Period End/Exemption	01/31/96	
ANPRM Comment Period End	03/13/96	
Recommendation to Commission/Exemption	11/15/96	
Interim Conditional Exemption	02/06/97	62 FR 5724
Comment Period End	03/10/97	
Final Conditional Exemption	05/29/97	62 FR 29006
Recommendation to Commission/NPRM	01/23/98	
NPRM	04/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Constance Vecellio, Care Labeling Rule Coordinator,

Division of Enforcement, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-2966  
Email: cvecellio@ftc.gov

**RIN:** 3084-AA54

#### 4298. TRADE REGULATION RULE CONCERNING THE LABELING AND ADVERTISING OF HOME INSULATION

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 41 et seq

**CFR Citation:** 16 CFR 460

**Legal Deadline:** None

**Abstract:** The Federal Trade Commission's Trade Regulation Rule Concerning the Labeling and Advertising of Home Insulation ("R-Value Rule") became effective on September 29, 1980. The Rule is designed to assist consumers in evaluating and comparing the thermal performance characteristics of competing home insulation products. Specifically, the Rule requires manufacturers of home insulation products to provide information about the product's degree of resistance to the flow of heat (R-Value). The Rule also establishes uniform standards for testing, information disclosure and substantiation of product performance claims. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, this Rule, possible conflicts between the Rule and state, local and other federal laws, and the effect on the Rule of any technological, economic, or other industry changes. At the same time, in response to a petition, the Commission proposed adopting a non-substantive amendment to the Rule that would allow, but not require, the use of an additional (fifth) test procedure for measuring R-value, and solicited comments on the proposed amendment. The Commission is considering the comments in two parts. In part I, on March 28, 1996, the Commission reviewed the comments that addressed the current benefits, burdens and need for the Rule and determined to retain the Rule. The Commission also adopted non-substantive amendments that: (1) allow the optional use of the additional R-value test procedure; and (2) require use in the future of revised, current versions of other test procedures cited in the Rule. In part II, the Commission

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will consider the comments recommending that the Commission adopt substantive revisions to the Rule.

**Timetable:**

Action	Date	FR Cite
Request for Comments	04/06/95	60 FR 17492
Comment Period End	06/06/95	
Commission Action/Part I	03/28/96	61 FR 13659
Recommendation to Commission/Part II	04/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Kent C. Howerton, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-3013  
Email: khowerton@ftc.gov

**RIN:** 3084-AA60

#### 4299. TRADE REGULATION RULE ON FRANCHISING AND BUSINESS OPPORTUNITY VENTURES

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 41 to 58

**CFR Citation:** 16 CFR 436

**Legal Deadline:** None

**Abstract:** The Federal Trade Commission's Trade Regulation Rule on Franchising and Business Opportunity Ventures (Franchise Rule) became effective on October 21, 1979. The Rule is designed to reduce deceptive and unfair practices in the sale of franchises and business opportunities by requiring the pre-sale disclosure of material information about the franchise. For example, the Rule requires franchisors to disclose their business background and litigation history, as well as the number of failed and terminated franchise units. The Rule also requires the disclosure of material terms of the franchise relationship, such as recurring fees and termination and renewal rights. The Rule further requires the franchisor to provide an audited financial statement for the past three fiscal years. Finally, the Rule requires any franchisor who makes earnings representations to provide the prospective franchisee with an earnings claims document that substantiates those claims. As part of its systematic review of all current Commission rules and guides, the Commission requested comments about the overall costs and benefits of the Rule and what effects,

if any, have changes in relevant technology, economic conditions, and industry practices had on the Rule. Two public workshops have been held, one on September 12, 1995, and the other on March 11, 1996. On February 28, 1997, the Commission published an Advance Notice of Proposed Rulemaking (ANPR) contemplating amendments to the Rule. The Commission is interested in ensuring that the Rule addresses new technologies and market practices and at the same time reduces any unnecessary regulatory burden. Specifically, the Commission requested comments on whether to revise the Rule to more closely align federal and state disclosure requirements governing franchise sales, and to address changes in the marketing of franchises, such as the sale of franchises internationally and through the Internet. In the same ANPR, the Commission announced that it would hold six public workshops in five cities during 1997 to: promote discussions about the issues; allow the public to make statements on the record; and assist Commission staff in drafting a proposed amended Rule. The Commission extended the comment period to December 31, 1997. The ANPR procedure has been completed and staff is working on a recommendation to the Commission.

**Timetable:**

Action	Date	FR Cite
Request for Comments	04/17/95	60 FR 17656
Comment Period End	08/11/95	
Public Workshop	09/12/95	60 FR 34485
Public Workshop	03/11/96	61 FR 5969
ANPRM	02/28/97	62 FR 9115
Comment Period End	12/31/97	62 FR 28824
Recommendation to the Commission	10/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** State

**Agency Contact:** Steven Toporoff, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-3135  
Email: stoporoff@ftc.gov

**RIN:** 3084-AA63

#### 4300. RULE GOVERNING DISCLOSURE OF WRITTEN CONSUMER PRODUCT WARRANTY TERMS AND CONDITIONS

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 41 et seq

**CFR Citation:** 16 CFR 701

**Legal Deadline:** None

**Abstract:** The Rule Governing the Disclosure of Written Consumer Product Warranty Terms and Conditions (Rule 701) establishes requirements for warrantor for disclosing the terms and conditions of written warranties on consumer products actually costing the consumer more than \$15.00. Rule 701 specifies the information that must appear in the written warranty, as well as the exact language that must be used for certain items. Under Rule 701, the information must be disclosed in simple, easily understood, and concise language in a single document. In addition to specifying the information that must appear in a written warranty, Rule 701 also requires that, in instances where the warrantor uses a warranty registration or owner registration card, the warranty must disclose whether that registration card is a condition precedent to warranty coverage. Finally, it provides that, in connection with "seal of approval" programs, the disclosures do not have to be given in the actual seal itself, if they are made in a general circulation publication. As part of its systematic review of all current Commission regulations and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for the Rule, possible conflict between the Rule and state, local, and other Federal laws, and the effect on the Rule of any technological, economic, or other industry changes.

**Timetable:**

Action	Date	FR Cite
Begin Review	04/03/96	61 FR 14688
Comment Period End	06/03/96	
Recommendation to Commission	09/00/98	
Final Commission Action	12/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Carole I. Danielson, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580

## FTC

## Proposed Rule Stage

Phone: 202 326-3115  
Email: cdanielson@ftc.gov

RIN: 3084-AA72

#### 4301. RULE GOVERNING THE PRE-SALE AVAILABILITY OF WRITTEN WARRANTY TERMS

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 41 et seq

**CFR Citation:** 16 CFR 702

**Legal Deadline:** None

**Abstract:** The Rule Governing the Pre-Sale Availability of Written Warranty Terms, 16 CFR Part 702 (Rule 702) published as a final rule in 1975 and amended in 1987, will be reviewed this year under the Commission's procedures. Section 102(b)(1)(A) of the Magnuson-Moss Warranty Act, 15 U.S.C. 2301 et seq., directed the Commission to prescribe rules requiring that the terms of any written warranty on a consumer product be made available to the prospective purchaser prior to the sale of the product. Accordingly, the Commission issued Rule 702, which establishes requirements for sellers and warrantors for making the terms of a written warranty available to the consumer prior to sale. Among other things, the Rule requires sellers to make warranty information readily available by either (1) displaying it in close proximity to the product or furnishing it on request and posting signs in prominent locations advising consumers that warranty information is available. The Rule requires warrantors to provide materials to enable sellers to comply with the Rule's requirements. It also sets out the methods by which warranty information can be made available prior to the sale of the product in instances where the product is sold through catalogs, mail order, or door-to-door sales. As part of its systematic review of all current Commission regulations and guides, the Commission has determined, as part of its oversight responsibilities, to review trade regulation rules at least once every ten years. The review seeks comments on, among other things, the economic impact of, and the continuing need for the Commission's rules, possible conflict between the rules and state, local, and other federal laws and the effect on the rules of any technological, economic, or other industry changes.

#### Timetable:

Action	Date	FR Cite
Begin Review	04/03/96	61 FR 14688
Comment Period End	06/03/96	
Recommendation to Commission	09/00/98	
Final Commission Action	12/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Carole I. Danielson, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-3115  
Email: cdanielson@ftc.gov

RIN: 3084-AA73

#### 4302. RULE GOVERNING INFORMAL DISPUTE SETTLEMENT PROCEDURES

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 41 et seq

**CFR Citation:** 16 CFR 703

**Legal Deadline:** None

**Abstract:** The Rule Governing Informal Dispute Settlement Procedures (Rule 703) establishes minimum requirements for those informal settlement mechanisms ("IDSM") that are incorporated by the warrantor into its consumer product warranty. By incorporating the IDSM into the warranty, the warrantor requires the consumer to use the IDSM before pursuing any legal remedies in court. Among other things, the Rule sets out the member qualifications, general operating procedures, and recordkeeping requirements of such IDSMs. The Rule also prescribes the duties of the warrantor in making consumers aware of the IDSM and how to use it, as well as the warrantor's duties to comply with the IDSM's requests and decisions. The Rule also requires IDSMs that operate under Rule 703 to submit annual audits to the Federal Trade Commission to determine their compliance with the Rule. As part of its systematic review of all current Commission regulations and guides, the Commission has requested comments on, among other things, the economic impact of, and the continuing need for, the Rule; whether there are changes that might be made to the Rule that would increase consumer benefits or which might minimize cost to firms subject to its

requirements; the degree to which it may conflict with other State, local, and other Federal laws; and the effect on the rules of any technological, economic, or other industry changes.

#### Timetable:

Action	Date	FR Cite
Begin Review	01/01/97	
Request for Comments	04/02/97	62 FR 15636
Comment Period Extended	06/13/97	62 FR 32338
Comment Period End	08/01/97	
Recommendation to Commission	12/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Carole I. Danielson, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-3115  
Email: cdanielson@ftc.gov

RIN: 3084-AA75

#### 4303. TRADE REGULATION RULE CONCERNING THE USE OF NEGATIVE OPTION PLANS BY SELLERS IN COMMERCE

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 41 et seq

**CFR Citation:** 16 CFR 425

**Legal Deadline:** None

**Abstract:** The Trade Regulation Rule Concerning the Use of Negative Option Plans by Sellers in Commerce ("Negative Option Rule") governs a type of selling technique known as a negative option plan. Under such a plan, a seller and a subscriber enter into a contractual agreement whereby the seller will periodically sell merchandise to the subscriber by shipping merchandise to the subscriber even though the subscriber has not affirmatively ordered the merchandise. The Negative Option Rule requires sellers who use prenotification negative option plans to disclose the material terms of the plans clearly and conspicuously in their promotional materials. The Rule requires, in part, that the seller send to the subscriber an announcement, which identifies the merchandise the seller intends to send to the subscriber. The seller will then send the merchandise and bill the subscriber for it, unless the subscriber instructs the seller by a certain date not to send the merchandise. A negative

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option plan will often require a subscriber to purchase a minimum quantity of merchandise, after which the subscriber may cancel his membership. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, this Rule, possible conflict between the Rule and state, local and other federal laws, and the effect on the Rule of any technological, economic, or other industry changes.

**Timetable:**

Action	Date	FR Cite
Request for Comments	03/31/97	62 FR 15135
Comment Period End	06/02/97	
Recommendation to Commission	04/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Edwin Rodriguez, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-3147  
Email: erodriguez@ftc.gov

**RIN:** 3084-AA76

#### 4304. TRADE REGULATION RULE PURSUANT TO THE TELEPHONE DISCLOSURE AND DISPUTE RESOLUTION ACT OF 1992

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 5701 et seq

**CFR Citation:** 16 CFR 308

**Legal Deadline:** None

**Abstract:** Congress enacted the Telephone Disclosure and Dispute Resolution Act of 1992 ("TDDRA") to curtail certain unfair and deceptive practices perpetrated by some pay-per-call businesses, and to encourage the growth of the legitimate pay-per-call industry. TDDRA granted the Commission limited jurisdiction over common carriers for purposes of the 900-Number Rule, which became effective November 1, 1993. The Rule requires that advertisements for 900-Numbers contain certain disclosures; that anyone who calls a 900-Number service be given the opportunity to hang up at the conclusion of the preamble without incurring any charge for the call; and establishes procedures for resolving billing disputes for 900-

Number calls. Under the terms of the Rule itself, a review of the Rule is required to be initiated by the Commission prior to November 1997. As part of this review, the Commission published a notice in the Federal Register on March 12, 1997, requesting comments on, among other things, the economic impact of, and the continuing need for, the 900-Number Rule and the effect on the Rule of any technological or industry changes. The Commission also sought comments, pursuant to authority granted under the Telecommunications Act of 1996, on whether to expand the Rule to govern other similar audio information and entertainment services. Staff held a workshop-conference on June 19-20, 1997, during which members of the industry discussed issues raised in the comments, including billing and collection issues and possible ways to expand the definition of "pay-per-call services."

**Timetable:**

Action	Date	FR Cite
Request for Comments	03/12/97	62 FR 11750
Comment Period End	05/12/97	
Public Workshop	06/19/97	
Public Workshop	06/20/97	
Staff Recommendation to Commission	12/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Adam Cohn, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-3411  
Email: acohn@ftc.gov

Carole Danielson, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-3115  
Email: cdanielson@ftc.gov

**RIN:** 3084-AA78

#### 4305. RULES AND REGULATIONS UNDER THE HOBBY PROTECTION ACT (SECTION 610 REVIEW)

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 41 et seq

**CFR Citation:** 16 CFR 304

**Legal Deadline:** None

**Abstract:** The Rules and Regulations under the Hobby Protection Act require that all imitation numismatic and imitation political items sold in, or imported into, the United States be marked with the word "Copy" or the year of manufacture. An amendment to the Rule in 1988 permits manufacturers of miniature numismatic items to mark the word "Copy" in smaller dimensions than those required under the previous Rule. The Commission determined, at that time, that the amendment would facilitate compliance with the Rule and eliminate potential costs, in both time and resources, to industry and the Commission from individual variance applications for miniature numismatic items. The Commission is conducting a review of this Rule under the Regulatory Flexibility Act, 5 USC 601 et seq., as amended by the Small Business Regulatory Enforcement Fairness Act of 1996. At the same time, and as part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, this Rule, possible conflict between the Rule and state, local and other federal laws, and the effect on the Rule of any technological, economic, or other industry changes, with particular emphasis on the effect on small businesses.

**Timetable:**

Action	Date	FR Cite
Request for Comments	03/25/97	62 FR 14049
Comment Period End	05/27/97	
Recommendation to Commission	04/00/98	

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Robert Easton, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-3029  
Email: reaston@ftc.gov

**RIN:** 3084-AA79

#### 4306. TRADE REGULATION RULE ON OPHTHALMIC PRACTICE RULES

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 41 et seq

**CFR Citation:** 16 CFR 456

**Legal Deadline:** None

## FTC

## Proposed Rule Stage

**Abstract:** The Trade Regulation Rule on Ophthalmic Practice Rules, also known as the "Prescription Release Rule," provides that an optometrist or ophthalmologist must give to the patient a copy of the patient's eyeglass prescription immediately after the eye examination is completed at no extra cost. The Prescription Release Rule prohibits optometrists and ophthalmologists from conditioning the availability of an eye examination, as defined by the Rule, on a requirement that the patient agrees to purchase ophthalmic goods from the optometrist or ophthalmologist, and from placing on the prescription, or delivering to the patient, certain disclaimers or waivers of liability. An optometrist or ophthalmologist, however, may withhold the eyeglass prescription if the patient has not paid for the eye examination in full if the optometrist or ophthalmologist would have required immediate payment if the examination revealed that no ophthalmic goods, such as eyeglasses, were required. In addition, the Rule does not require an optometrist or ophthalmologist to release a contact lens prescription to a patient after an eye exam. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on the economic impact of, and the continuing need for, this Rule, possible conflict between the Rule and state, local, or other federal laws, and the effect on the Rule of any technological, economic, or other industry changes. In response to a request from the National Association of Optometrists and Opticians, the Commission extended the comment period to September 2, 1997.

**Timetable:**

Action	Date	FR Cite
Request for Comments	04/03/97	62 FR 15865
Notice of Comment Period Extension	05/29/97	62 FR 29088
Comment Period End	06/02/97	
Comment Period End	09/02/97	

Action	Date	FR Cite
Bureau Consideration of Staff Recommendations	04/00/98	
<b>Small Entities Affected:</b> None		
<b>Government Levels Affected:</b> None		
<b>Agency Contact:</b> Denise Owens, Division of Service Industry Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580 Phone: 202 326-3277 Email: dowens@ftc.gov		
<b>RIN:</b> 3084-AA80		

#### 4307. TRADE REGULATION RULE CONCERNING POWER OUTPUT CLAIMS FOR AMPLIFIERS UTILIZED IN HOME ENTERTAINMENT PRODUCTS

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 41 et seq

**CFR Citation:** 16 CFR 432

**Legal Deadline:** None

**Abstract:** The Trade Regulation Rule Concerning Power Output Claims for Amplifiers Utilized in Home Entertainment Products ("Amplifier Rule" or "Rule") was promulgated in 1974 to assist consumers in purchasing power amplification equipment for home entertainment purposes by standardizing the measurement and disclosure of various performance characteristics of the equipment. The Amplifier Rule establishes uniform test standards and disclosures so that consumers can make more meaningful comparisons of performance attributes. The Rule makes it an unfair method of competition and an unfair or deceptive act or practice for manufacturers and sellers of sound power amplification equipment for home entertainment purposes to fail to disclose certain performance information in connection with direct or indirect representations of power output, power band, frequency or distortion characteristics. The Rule also

sets out standard test conditions for performing the measurements that support the required performance disclosures. Further, the Rule prohibits representations of performance characteristics if they are not obtainable when the equipment is operated by the consumer in the usual and ordinary manner without the use of extraneous aids. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, this Rule; possible conflict between the Rule and State, local and other Federal laws; and the effect on the Rule of any technological, economic, or other industry changes. In reviewing the Rule, the Commission also noted a tentative determination that the Rule applies to self-powered speakers for use with home computers and home sound systems, as well as other amplification equipment for home computers, but asked for comments on whether such products should be outside the Rule's scope. The Commission also requested comments on whether the Rule's provisions should be extended to automobile sound systems and whether existing testing and disclosure requirements need to be modified for use with automotive sound amplification.

**Timetable:**

Action	Date	FR Cite
Request for Comments	04/07/97	62 FR 16500
Comment Period End	06/06/97	
Recommendation to Commission	04/00/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Robert Easton, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580  
Phone: 202 326-3029  
Email: reaston@ftc.gov

**RIN:** 3084-AA81



## FEDERAL TRADE COMMISSION (FTC)

## Long-Term Actions

**4308. AMENDED FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1811 et seq**CFR Citation:** Not yet determined**Legal Deadline:** None**Timetable:** Next Action Undetermined**Small Entities Affected:** None**Government Levels Affected:** State**Agency Contact:** Carole Reynolds, Division of Credit Practices, Federal Trade Commission, Bureau of Consumer Protection, Washington, DC 20580

Phone: 202 326-3230

Email: creynolds@ftc.gov

**RIN:** 3084-AA44**CFR Citation:** 16 CFR 1 et seq**Legal Deadline:** None

**Abstract:** The Commission is conducting a revolving ten-year review of current rules and guides to identify any that should be modified or rescinded. At the beginning of 1998, the Commission published a notice in the Federal Register listing the rules, guides, and exemption procedures to be reviewed during 1998. See 63 FR 1802 (January 12, 1998). Early next year, the Commission will publish a list of additional rules and guides it will review in 1999. During 1998, the Commission will publish separate notices in the Federal Register for each rule or guide, soliciting comments about its costs and benefits and regulatory and economic impact. Where rulemaking timetables have been established for such items, they are included in this Agenda. However, no determination about whether to modify or rescind a rule, regulation, guide or

interpretation or any other procedural option should be inferred from the Commission's decision to publish a request for comments. In certain instances, the reviews also will address other specific matters or issues, such as reviews mandated by the Regulatory Flexibility Act, 5 U.S.C. 601 et seq.

**Timetable:**

Action	Date	FR Cite
Rule Review Continuing	00/00/00	

**Small Entities Affected:** None**Government Levels Affected:** None**Agency Contact:** Kent Howerton, Division of Enforcement, Federal Trade Commission, Bureau of Consumer Protection, Washington, DC 20580

Phone: 202 326-3013

Email: khowerton@ftc.gov

**RIN:** 3084-AA47**4309. REGULATORY REVIEW****Priority:** Other Significant**Legal Authority:** 15 USC 41 et seq

## FEDERAL TRADE COMMISSION (FTC)

## Completed Actions

**4310. RULES AND REGULATIONS UNDER THE WOOL PRODUCTS LABELING ACT OF 1939****Priority:** Substantive, Nonsignificant

**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

**Legal Authority:** 15 USC 68 Wool Products Labeling Act of 1939**CFR Citation:** 16 CFR 300**Legal Deadline:** None

**Abstract:** The Wool Products Labeling Act of 1939 (Wool Act) requires covered wool products to be marked with (1) the generic names and percentages by weight of the constituent fibers present in the wool product; (2) the name under which the manufacturer or another responsible USA company does business, or in lieu thereof, the registered identification number (RN) of such a company; and (3) the name of the country where the wool product was processed or manufactured. Pursuant to section 6(a) of the Wool Act, "the Commission is authorized and directed to make rules

and regulations for the manner and form of disclosing information required by this Act ... and to make such further rules and regulations under and in pursuance of the terms of this Act as may be necessary and proper for administration and enforcement." These implementing rules and regulations are set forth at 16 CFR 300. As part of its systematic review of all current Commission regulations and guides, the Commission requested comments on, among other things, the economic impact of and the continuing need for these rules, possible conflict between the rules and State, local and other federal laws, and the effect on the rules of any technological, economic, or other industry changes. Comments were also solicited on issues relating to the goal of harmonizing labeling requirements among North American Free Trade Agreement (NAFTA) countries. The Commission has amended the Rule by simplifying the requirements for placing information on labels by replacing detailed specifications with a performance standard - that the information be clear, conspicuous, and readily accessible to the purchaser; eliminating the disclosure "Fiber

Content on Reverse Side" when the fiber is listed on the back of the label; eliminating the need to state the functional significance of a functionally significant named fiber present in an amount less than 5%; modifying the definitions of "mail order catalog" and "invoice" to include those disseminated electronically; adding a provision stating that RN numbers are subject to cancellation if the Commission is not notified of changes in name, address, or business status; and adding examples of country-of-origin disclosures to show how they can comply with both Customs and FTC regulations.

**Timetable:**

Action	Date	FR Cite
Begin Reg Review	05/06/94	59 FR 23645
Extension of Comment Period	09/12/94	59 FR 46778
Comment Period End NPRM	10/15/94	
Comment Period End	12/24/96	61 FR 67739
Recommendation to Commission	01/22/97	
Final Action	12/12/97	
Final Action Effective	02/13/98	63 FR 7505
	03/16/98	

**Small Entities Affected:** None**Government Levels Affected:** None

## FTC

## Completed Actions

**Agency Contact:** Carol J. Jennings,  
Staff Attorney, Federal Trade  
Commission, Division of Enforcement,  
Washington, DC 20850  
Phone: 202 326-3010  
Email: cjennings@ftc.gov  
**RIN:** 3084-AA50

#### 4311. RULES AND REGULATIONS UNDER THE FUR PRODUCTS LABELING ACT

**Priority:** Substantive, Nonsignificant

**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

**Legal Authority:** 15 USC 69 Fur Products Labeling Act

**CFR Citation:** 16 CFR 301

**Legal Deadline:** None

**Abstract:** The Fur Products Labeling Act (Fur Act) requires covered furs and fur products to be labeled, invoiced, and advertised to show (1) the name(s) of the animal that produced the fur(s); (2) where such is the case, that the fur is used fur or contains used fur; (3) where such is the case, that the fur is bleached, dyed, or otherwise artificially colored; and (4) the name of the country of origin of any imported furs used in the fur product. Pursuant to section 8(b) of the Fur Act, "The Commission is authorized and directed to prescribe rules and regulations governing the manner and form of disclosing information required by this Act and such further rules and regulations as may be necessary and proper for purposes of administration and enforcement of this Act." These implementing rules are set forth at 16 CFR 301. As part of its systematic review of all current Commission regulations and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, these rules, possible conflict between the rules and state, local and other federal laws, and the effect on the rules of any technological, economic, or other industry changes. The Commission also sought comments on issues relating to the goal of harmonizing labeling requirements among North American Free Trade Agreement (NAFTA) countries. On February 13, 1998, the Commission amended the Rule by

adding a provision stating that Registered Identification Numbers are subject to cancellation if the Commission is not notified of changes in name, address, or business status. The Commission also adopted an amendment to raise the cost/selling price figure for exemption from the Rule from \$20 to \$150.

##### Timetable:

Action	Date	FR Cite
Begin Reg Review	05/06/94	59 FR 23645
Extension of Comment Period	09/12/94	59 FR 46778
Comment Period End	10/15/94	
NPRM	12/24/96	61 FR 67748
Comment Period End	01/22/97	
Recommendations to Commission	12/12/97	
Final Action	02/13/98	63 FR 7507
Final Action Effective	03/16/98	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Carol J. Jennings,  
Staff Attorney, Federal Trade  
Commission, Division of Enforcement,  
Washington, DC 20580  
Phone: 202 326-3010  
Email: cjennings@ftc.gov  
**RIN:** 3084-AA51

#### 4312. RULES AND REGULATIONS UNDER THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT

**Priority:** Substantive, Nonsignificant

**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

**Legal Authority:** 15 USC 70 Textile Fiber Products Identification Act

**CFR Citation:** 16 CFR 303

**Legal Deadline:** None

**Abstract:** The Textile Fiber Products Identification Act (Textile Act) requires wearing apparel and other covered household textile articles to be marked with (1) the generic names and percentages by weight of the constituent fibers present in the textile fiber product; (2) the name under which the manufacturer or another responsible USA company does business, or in lieu thereof, the registered identification number (RN) of such a company; and (3) the name of the country where the textile product

was processed or manufactured. Pursuant to section 7(c) of the Textile Act, "the Commission is authorized and directed to make such rules and regulations, including the establishment of generic names of manufactured fibers, under and in pursuance of the terms of this Act as may be necessary and proper for administration and enforcement." These implementing rules are set forth at 16 CFR 303. As part of its systematic review of all current Commission regulations and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, these rules, possible conflict between the rules and State, local and other Federal laws, and the effect on the rules of any technological, economic, or other industry changes. The Commission also sought comments on issues aimed at streamlining existing regulations and promoting harmonization of textile labeling requirements among the North American Free Trade Agreement (NAFTA) countries. The Commission amended the Rule to simplify the requirements for placing information on labels by replacing detailed specifications with a performance standard - that the information be clear, conspicuous, and readily accessible to the purchaser; eliminating the need to state the functional significance of a functionally significant named fiber in an amount less than 5%; incorporating by reference the ISO standard for manufactured fibers; modifying the definitions of "mail order catalog" and "invoice" to include those electronically disseminated; adding a provision stating that RN numbers are subject to cancellation if the Commission is not notified of changes in name, address, or business status; and adding examples of country-of-origin disclosures to show how they can comply with both Customs and FTC regulations.

##### Timetable:

Action	Date	FR Cite
Begin Reg Review	05/06/94	59 FR 23646
Extension of Comment Period	09/12/94	59 FR 46779
Comment Period End	10/15/94	
Recommendation to Commission	12/15/95	
NPRM	02/12/96	61 FR 5340
NPRM Comment Period End	05/13/96	
Recommendation to Commission	12/12/97	

## FTC

## Completed Actions

Action	Date	FR Cite
Final Action	02/13/98	63 FR 7507
Final Action Effective	03/16/98	

**Small Entities Affected:** None**Government Levels Affected:** None

**Agency Contact:** Carol J. Jennings,  
Staff Attorney, Federal Trade  
Commission, Division of Enforcement,  
Washington, DC 20580  
Phone: 202 326-3010  
Email: cjennings@ftc.gov

**RIN:** 3084-AA52

#### 4313. DECEPTIVE USE OF "LEAKPROOF," "GUARANTEED LEAKPROOF," ETC., AS DESCRIPTIVE OF DRY CELL BATTERIES

**Priority:** Substantive, Nonsignificant

**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

**Legal Authority:** 15 USC 41 et seq**CFR Citation:** 16 CFR 403**Legal Deadline:** None

**Abstract:** On May 20, 1964, the Commission promulgated as a trade regulation rule its determination that in connection with the sale of dry cell batteries in commerce, the use of the word "leakproof," the term "guaranteed leakproof," or any other word or term

of similar import, or any abbreviation thereof, in advertising, labeling, marking or otherwise, as descriptive of dry cell batteries, constitutes an unfair method of competition and an unfair or deceptive act or practice in violation of section 5 of the FTC Act. The Dry Cell Battery Rule does not prohibit manufacturers or marketers from offering or furnishing guarantees that provide for restitution in the event of damage from battery leakage, provided no representation is made, directly or indirectly, that dry cell batteries will not leak. The Rule further provides that in the event any person develops a new dry cell battery that he believes is in fact leakproof, he may apply to the Commission for an amendment to the Rule, or other appropriate relief. As part of its systematic review of all current Commission rules and guides, the Commission requested comments on, among other things, the economic impact of, and the continuing need for, this Rule, possible conflict between the Rule and state, local and other federal laws, and the effect on the Rule of any technological, economic, or other industry changes. The one comment received supported repeal of the Rule, indicating that it effectively has been superseded in the marketplace by the American National Standards Institute Standard C18.1M-1992 Dry Cells and Batteries - Specifications. Based on the foregoing, the Commission decided to initiate a rulemaking proceeding to repeal the Dry Cell Battery Rule, and requested further comments on the

proposed repeal of the Rule. The Commission received no further comments. Based on the rulemaking record, changes in industry practice, and general voluntary compliance by the industry with the requirements of the American National Standards Institute standard for dry cell batteries, which has provisions similar to the Rule's, the Commission repealed the Rule concluding that it was no longer necessary or in the public interest.

**Timetable:**

Action	Date	FR Cite
Request for Comments	03/25/97	62 FR 14050
Comment Period End	04/24/97	
NPRM	06/27/97	
Recommendation to Commission		
Commission Action	07/09/97	
NPRM	08/19/97	62 FR 44099
NPRM Comment Period End	09/18/97	
Final Action	11/17/97	62 FR 61225
Final Action Effective	11/17/97	

**Small Entities Affected:** None**Government Levels Affected:** None

**Agency Contact:** Neil Blickman,  
Division of Enforcement, Bureau of  
Consumer Protection, Federal Trade  
Commission, Washington, DC 20580  
Phone: 202 326-3038  
Email: nblickman@ftc.gov

**RIN:** 3084-AA77

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